

UNITED STATES DISTRICT COURT  
DISTRICT OF MASSACHUSETTS

_____	)	
SWISS REINSURANCE AMERICA	)	
CORPORATION, A New York corporation,	)	
	)	
Plaintiff,	)	Case No. 03-22921 CIV-ALTONAGA
	)	Magistrate Bandstra
v.	)	(Pending in the Southern District of
THE PHINEAS CORPORATION,	)	Florida)
A Florida Corporation,	)	
	)	Multi-District Business No. _____
Defendant.	)	
_____	)	

**AFFIDAVIT OF MARK SAVAGE**

I, Mark Savage, upon oath, depose and say as follows:

1. I am currently Executive Portfolio Underwriter for Liberty Mutual Insurance Company ("Liberty").
2. I have personal knowledge of the matters set forth in this affidavit.
3. In my capacity as Executive Portfolio Underwriter for Liberty, I make decisions regarding the issuance of workers' compensation policies and the need for security in order to secure deductible and retrospective premium obligations related to such policies.
4. In May 1999, Employers Insurance Company of Wausau ("Wausau"), which is now a subsidiary of Liberty Mutual Group, Inc., issued a workers' compensation policy to The Phineas Corporation ("Phineas"). In connection with that policy, Wausau, and later Liberty, required Phineas to post certain security. Accordingly, in partial satisfaction of its security obligations, Phineas and Amwest Surety Insurance Company

("Amwest") entered into a Collateral Agreement Bond (the "Bond") for the benefit of Wausau in the amount of \$225,000.

5. Upon information and belief, Amwest was declared insolvent in 2001. Liberty has informed Phineas that Phineas must replace the Bond with alternative security.

Signed under the pains and penalties of perjury this 21<sup>st</sup> day of July, 2004.

  
Mark Savage

I hereby certify that a true copy  
of the above document was  
served upon the attorney of  
record for each other party  
by mail/hand/facsimile on:

7/22/04 Shane Shanahan